

From: John Johnston
To: Microsoft ATR
Date: 1/23/02 10:33pm
Subject: AOL COMMENTS

Dear Department of Justice,

I can't say that I was surprised at the filing by AOL against Microsoft, there are however several things I would like to comment on.

AOL uses a proprietary version of the TCP/IP protocol that is the language of the internet so to speak. By doing so make their communications protocol proprietary and when someone decides to switch to another ISP they find out their computer either crashes or locks up. These persons have no trouble in going back to AOL but can't leave, and they don't get much help from AOL, what they have to do is replace files modified on their computers to make the switch away from AOL. I speak on this as someone working in the computer field and I get calls from people as to what to do. Often, I have to download the files they need and install them on their systems for them.

AOL through some rather shabby accounting is also taking a loss this quarter to the tune of \$60B, this is good that they are restating their shareholders equity, but a decrease of 33% in one quarter smells a lot more like Enron than anything else. If the DOJ wanted to do something they could along with the SEC and FASB straighten out this sort of thing. Finally, it would appear that they would have to be pretty dumb in the first place since they bought Netscape's browser after an earlier court ruled there was no law violation in Microsoft adding the browser.

AOL also interestingly had a relationship with Microsoft that placed their service on the Desktop via the OS software installation. Even though they owned Netscape they found using Microsoft for customer acquisition, and installing their Internet Explorer browser a better way to go. Product reviews in the WSJ gave the lead to Microsoft as well. Since AOL owned Netscape, and since they didn't deem it a priority to push their browser, it seems they are responsible even more so for its market share.

One of the reasons that I upgrade computers is because of the software that is bundled with them. It is also of course for the newer hardware as well, but there is no comparing the value of a system that has the OS software you want, and the productivity software as well. Since the DOJ started their antitrust actions against Microsoft I don't think that I have had the same value as I used to.

The Europeans seem to be following your precedent of litigation as well, if you are successful in disciplining Microsoft in the ways that Scott McNeally and Steve Case would like, you will undermine innovation and value both. Only corporate purchasers will have the ability to leverage the software combinations they want, the small business and consumer will have been screwed. This is not the way Microsoft's antagonists would view it however, to them it would be a victory. So much of the software I have bought comes with one year support, and nothing after that without paying each year. This is not unlike Microsoft's way of doing business, but they put so much free help on their web site I don't mind having a problem. Programs from Intuit, Corel and others have failed in some aspect or another and their answers are buy the new version.

When Enron collapsed, there was a big loss to peoples retirements both in the case of State run funds and individuals. The amount of loss to the consumer was of course significant, clearly to me as a result of the antitrust suit against Microsoft much much more was lost to investors in the roughly \$300B decline in the

capitalization of Microsoft.

Microsoft has made software that was hard to use, easier to use, more versatile, more desirable, less likely to need a continuing support from the source, and moved specialized software to commodity product status. To witness, Oracle was the king of data base software, now you can buy it at Wal-Mart.

If diversity is so great why are their eight versions of UNIX, none of which are compatible with one another? Take the example of Sun Microsystems, if they used someone else's version they would have to pay licensing fees, so they customized their own. Now they can collect maintenance fees duh.

Not a thing that the antagonist want is for the consumer, it is against the consumer and for each of their bottom lines. And in the case of the State's AGs, it is for their political gain. I can't see how you are ever going to go anywhere trying to develop a formula that simultaneously solves an equation with twenty variables that keeps changing all the time. I am glad that my AG in Montana is not a part of this fiasco, and I made a point of telling them so. The people who signed on to this action against Microsoft have made it easy for me to decide who not to vote for. I believe they have degraded the standards of justice, and the continuation of this continues that course.

John Johnston,
Boulder, Montana